

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7251**

**BILL NUMBER:** HB 1946

**NOTE PREPARED:** Jan 20, 2003

**BILL AMENDED:**

**SUBJECT:** Locksmith Registration.

**FIRST AUTHOR:** Rep. Thompson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes a voluntary registration program for locksmiths.

**Effective Date:** July 1, 2003.

**Summary of Net State Impact:** Expenses involved with setting up and administering the registry amount to between \$229,000 and \$329,000 in the first year and \$94,000 in subsequent years, and would be offset by the fee charged by the Department.

**Explanation of State Expenditures:** This bill requires the State Police Department to provide for the voluntary registration of locksmiths. Because the Department does not currently provide registration for other trades, the fiscal impact of this provision is based on both start-up and administration costs.

To implement the registry, the Department reports it would need new computer hardware and software, which could cost between \$100,000 and \$200,000. In addition, annual maintenance contracts would be needed for computer hardware and software support. Annual maintenance is estimated by the Department to cost \$40,000.

According to the Department's estimate based on 20,000 registrants, the following additional staff would be needed to run the registry: one administrative assistant IV (PAT IV) and one data processing operator V. Annual expenditures for the two positions, including indirect costs, are approximately \$74,400 in FY 2004 and \$73,650 in FY 2005. Because the registration is valid for two years, the Department may only need one additional position to maintain the registry after the initial set-up. An administrative assistant position would cost \$38,700 in FY 2004 and \$38,380 in FY 2005, or a data processing operator would cost roughly \$35,600

in FY 2004 and \$35,260 in FY 2005.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The bill also requires the Department to issue identification cards. The Department estimates the paper and postage required for 20,000 registrations would cost approximately \$15,000. The Department also reported that for every 20,000 additional registrants, another data processing operator V would be required for processing the applications.

It is not known how many individuals will seek voluntary locksmith registration, however, the Associated Locksmiths of America Inc. lists 162 members in its database as having a locksmith business in Indiana. Expenses involved with setting up and administering the registry total between \$229,000 and \$329,000 in the first year and \$94,000 in subsequent years, and they should be offset by the fee charged by the Department.

**Explanation of State Revenues:** The Department would be required to set a registration fee. The revenue generated from the locksmith registration fee is dependent on the amount charged and the number of applicants. The money would be used for administering the locksmith registry.

If 20,000 locksmiths voluntarily register with the Department, the fee needed to offset the initial cost of the registry would be \$12 to \$16. To offset the registry's costs in subsequent years, the fee would need to be roughly \$5.

*Penalty Provision* - This bill provides that if an individual offers to perform, advertises to perform, or performs locksmith services for compensation as a registered locksmith without having registered with the Department, the individual commits a Class A infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision* - If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Indiana State Police Department.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

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